

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile	
Country	India
Factory name	07023295D
IEM	Bureau Veritas Consumer Products Services India Private Limited
Date(s) in facility	November 18 & 19, 2005
PC(s)	Nike, Inc. and Ashworth
Number of workers	569
Product(s)	Jackets,Belows,Pants
Production	Cutting to Packing

		IEM Findings							Remediation			
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Company follow up (6th April 2006)	Documentation
<b>1. Code Awareness</b>												
Confidential non-compliance reporting channel		<b>FLA Principle of Monitoring, Obligation of Companies:</b> Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	There is no provision to communicate any noncompliance by the workers directly.				Visual Inspection and Interviews		PCs objective is to strengthen contract manufacturers' internal grievance systems, so that direct involvement by PCs in employee grievances should be considered a last resort. Hence, PCs expects the factory to communicate to all workers on how the grievance system works, verify that workers have confidence in the system and communicate the action taken.	Immediate	The factory has a redressal system wherein any worker can approach the factory management anytime Also, grievance committees are functional in this factory wherein the worker's grievances are addressed and minutes of the meeting posted after every meeting.	
<b>2. Forced Labor</b>												
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise												
<b>3. Child Labor</b>												
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.												
<b>4. Harassment or Abuse</b>												
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.												
<b>5. Nondiscrimination</b>												
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.												
<b>6. Health and Safety</b>												
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities												
Document Maintenance/ Accessibility	<b>According to Rule 88-F(2) of The Karnataka Factories Rules 1969</b> ,every container of a hazardous substance shall be clearly labelled or marked to identify.The contents of the container, the name and address of the manufacturer or importer of the hazardous substances, the physical and health hazards and the commended personal protective equipment needed to work safely with the hazardous substance. 2. As per rule 61(9d) of The Tamilnadu Factories Rules, 1950	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	Material safety Data Sheet was not displayed for hexane in its usage area in the finishing section and also it was not labeled. It was observed through factory tour that the Hexane present at the spot washing area is not labelled and MSDS was not displayed in its usage area in the finishing section.	Health hazard for the workers involved in this.			Visual Inspection		All chemicals in the factory should be labelled and latest MSDS displayed in local language in its usage area(Finishing section)	3/3/06	All the chemicals are labelled in the finishing section and MSDS displayed in the local language.	Refer photo doc on MSDS
Document Maintenance/ Accessibility	<b>According to Section 7A (2b) of The Factories Act, 1948</b> , Every occupier should have arrangement in the factory for ensuring safety and absence of risk to health in connection with the use, handling, storage and transport of articles and substances.		Hexanne was stored without adequate access control in the finishing section. During the factory tour it was observed that hexane container was lying in the finishing section.				Visual Inspection		Factory will implement administrative control Handling and usage of chemicals would be restricted only for authorised people	Immediate	Factory has implemented the administrative control. Handling and usage of chemicals is restricted to only authorised people. Also, usage of chemicals is tracked and controlled by the finishing department incharge.	

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings				Remediation				
					Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Company follow up (6th April 2006)	Documentation	
PPE	<b>According to Section 7A (2b) of The Factories Act, 1948,</b> Every occupier should have arrangement in the factory for ensuring safety and absence of risk to health in connection with the use, handling, storage and transport of articles and substances.	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Personal Protective Equipment like mask to the workers using hexane in the finishing section and boots to the boiler operator were not used. During the factory tour it was observed that workers in the finishing section using hexane was not using mask provided to them.				Visual Inspection		Regular trainings will be conducted on the usage of PPEs for all the workers. Factory would also prepare a training calendar to re-inforce the same in the workers. Apart from this, management is working on creating a check to achieve long term/sustainable remediation.	3/10/06	As per the calendar, quarterly trainings are done to all the workers on usage of PPE's. Management has also posted safety instructions and PPE posters all over the factory and apart from this the factory compliance team is conducting regular audits at the factories to check on whether the workers are complying or not. Management has also gone a step ahead in creating incentive system for the best batch on compliance, quality and productivity.	Refer photo doc on PPE posters	
Ventilation/Electrical/facility maintenance	<b>According to Section 13 of The Factories Act, 1948,</b> Effective and suitable provision shall be made in every factory for securing and maintaining in every workroom a) adequate ventilation by the circulation of fresh air, and b) such a temperature as will secure to workers therein reasonable conditions comfort and prevent injury to health		Adequate provision for ventilation was not provided to the shop floor where hexane was used. During the factory tour it was observed that adequate provision for ventilation was not provided to the shop floor where hexane was used.				Visual Inspection		Better ventilation will be provided where Hexane is stored and used. PCs will check the same during next follow up visit	1/10/06	Hexane stored in a better ventilated place		
Machinery Maintenance	<b>According to Section 7A (2b) of The Factories Act, 1948,</b> Every occupier should have arrangement in the factory for ensuring safety and absence of risk to health in connection with the use, handling, storage and transport of articles and substances.		1) A sharp edged fire extinguisher was found in the passage this may result to bodily injury to passerby. During the factory tour it was observed that a sharp edged fire extinguisher was found in the passage this may result to bodily injury to passerby. 2)Based on the accident registers, out of 8 accident recorded four accident occurred at eyelet machine. However adequate PPE 's are provided.				Visual Inspection		1. The fire extinguisher has to be replaced and relocated to a different place. 2. Further reseach required regarding eyelet machine to find reason for high occurrence of accidents and see if there is a solution to minimize risk?	12/26/05	1) The fire extinguisher has been relocated under a shed, hence the sharp edged sun shade has become redundant. 2) Management is working on a system to reduce accidents by providing regular trainings to reinforce the usage of PPE's. Apart from this the factory compliance team is conducting regular audits at the factories to check on whether the workers are complying or not.	Refer photo doc on Fireextinguisher	
<b>7. Freedom of Association and Collective Bargaining</b>													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining													
<b>8. Wages and Benefits</b>													
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits													
Payroll Reporting		Accurate and reliable payroll reporting, including pay stubs will be provided	Records were not provided for the work performed on 13th November 2005 which was a Sunday/weekly off day. On a visit nearby the factory on the 13th November 2005 auditors noticed that the factory was in operation. Evidence was collected while the workers came out of the factory at Lunchtime on the day. Informal interview with the workers coming out of the factory was conducted and confirmed that the factory was working on the day. However no information in the records available for the work performed on the 13th of November 2005.				Visual Inspection and Worker interviews		PCs will further investigate and work with the factory to decide action needed after gathering more information.	6th April'06	Management has given the list of 14 workers worked on 13th Nov. These are the supervisory staff who worked to get the sample done. These workers are not paid for the Sunday work since they belong to supervisory staff.		
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	No information was available for the four workers who were being sent out on the early hours of the first day of the audit. During the first day of the audit one of the auditor while out side the factory when others were inside, observed that 4 workers were sent out through the back side gate of the factory y. When these workers were informally interviewed they informed that factor y management provided leave and sent them back home with no reason provided to them. When the management was queried if any of the workers has been out on leave on the day of audit the management denied of any such case.				Visual Inspection		PCs will further investigate and work with the factory to decide action needed after gathering more information.	6th April'06	Management has given the names of 2 workers("*****") who had come to apply for ESI leave. As per the management rest of them were workers who had come for interviews & these were the workers who were sent back since the audit was in progress.	Refer scanned doc on list of workers who were on ESI leave	

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9. Hours of Work												
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period												
Overtime Limitations		Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts			There was a purchase record from outside for factory use. Based on this records the water has been purchased in all days including the weekly off day Sunday. During the document review it was observed that There was a water buying records from outside for factory use. Based on this records the water has been purchased on all days including the weekly off day Sunday.		Factory Tour, visual inspection and management interviews		PCs will further investigate possible Sunday work.	6th April 06	Water is purchased on a daily basis for gardening and maintenance. Also, there were sunday work on few occasions and the same has been recorded in the timekeeping system.	
10. Overtime Compensation												
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.												
Miscellaneous												
Lack of access to entire facility			The two stores in the second building have been locked and the key was not provided till the end of the audit. Hence this section could not be covered in the audit. During the factory tour it was observed that adjacent to the second building there was two big storerooms, which was locked. As per management these stores belong to the head office for dumping old materials and key was not available with the factory hence, these sections/area could not be covered in the audit.				Factory Tour, visual inspection and management interviews		Administrative controls will be provided. Spare keys to be made available in the factory.  PCs will check the same during next follow up visit.	1/20/06	This store belongs to the central facility and it is a default status that the store is co-located with the facility and the unit has no administrative or technical jurisdiction/ dependency, as it is independent identity. Notwithstanding, the keys are made available with the factory manager.	Refer the photo doc on stores